

No. 3945.

IN THE
United States
Circuit Court of Appeals,
FOR THE NINTH CIRCUIT.

David G. Lorraine,

Appellant,

vs.

Francis M. Townsend, Milon J. Trumble and Alfred J. Gutzler Doing Business Under the Firm Name of Trumble Gas Trap Company,

Appellees.

PETITION FOR REHEARING.

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PETITION FOR REHEARING.

To the Honorable Judges of the United States Circuit Court of Appeals for the Ninth Circuit:

Your petitioner, David G. Lorraine, appellant above named, respectfully petitions this Honorable Court for a rehearing of the appeal herein, and that the opinion of this court filed herein June 4, 1923, in so far only as it directs the District Court to enter a decree enjoining

defendant-appellant from manufacturing and selling or using any device infringing the Trumble patent in suit and particularly from making or selling the construction of Tonner No. 3 trap—be reconsidered and reversed and that the decree of the District Court appealed from be wholly reversed at appellee's costs and for grounds therefor allege—

Brief Statement of Grounds for Rehearing.

That this court erred in matter of law apparent upon the record and arising upon questions which were not argued at the original hearing in that—

- A. The record clearly shows that there was only a single infringing device of the only form of device (namely, Tonner No. 3 Trap) found to infringe the Trumble patent in suit, made by appellant.
- B. The record further establishes that such single infringing device was made experimentally only and no prior actual knowledge on the part of defendant appellant of appellee's rights in the premises was attempted to be proven.
- C. The record further shows that such single infringing device made by appellant was unsuccessful or unsatisfactory, and appellant discontinued its further manufacture with no intention whatever to continue.
- D. There being only such single infringement, there is no jurisdiction in equity to support the grant of an injunction or further proceedings on accounting or otherwise in the trial court, in that—

- (1) The infringement was trifling and therefore beneath the dignity of a court of equity to consider.
- (2) There was no reason or occasion on the part of appellees to fear any further trespass, in that—
 - (a) The single infringement was unsatisfactory and experimental only.
- (3) An action at law to recover damages would have furnished adequate relief without recourse to equity;
- (4) There was and is no ground to support any form of equitable relief—either of injunction or accounting.

E. The Tonner No. 3 trap was in fact not an infringement, in that—

- (1) The device of the Trumble patent in suit has been found or assumed by the court to be useful and successful;
- (2) The Tonner No. 3 trap, not being satisfactory could not constitute an infringement of a successful device.

ARGUMENT.

As to the general ground for rehearing above stated, Foster Federal Practice (6th Ed.) Vol. II, Sec. 445, bottom of page 2172, says:

“Unless the judge acts on his own motion, a rehearing will be granted only for errors of law apparent upon the record and arising upon questions which were not argued at the original hearing, or upon newly discovered evidence of such a character that it would have authorized a new

trial in an action at law.” (Citing *Daniel v. Mitchell*, 1 Story, 198; *Jenkins v. Eldredge*, 3 Story, 299; *Emerson v. Davies*, 1 W. & M. 21; *Tufts v. Tufts*, 3 W. & M. 426; *Giant P. Co. v. California V. P. Co.*, 5 Fed. 197; *Swann v. Austell*, 257 Fed. 870.)

There Was Only One Infringing Device Ever Made by Appellant.

At transcript 253 (middle of page) appears the following testimony:

“Mr. Baggs: Now, Mr. Lorraine, I will ask you to state how many traps like the one you have just described as being located on the Tonner lease No. 3 you put out or built? A. Just one.”

On cross-examination, the witness Lorraine also testified [Tr. of Record, p. 314]:

“Q. Now, didn't you testify yesterday that the only trap you had ever made that had a baffle in like the Tonner trap was the Tonner trap, and you put it up and found it wasn't any good and took it out.

A. Yes, sir; that is the only one I have made like that Tonner baffle.”

The Single Infringing Device Was Not Satisfactory in Operation.

At transcript, page 253, *et seq.*, (beginning at the middle of the page) appellant Lorraine testifies:

“Q. After you had put that one out what did you do with reference to other models?

A. Why, we took this baffle out entirely, and I think Mr. Lacy there has the record. He can tell just how many we built without that baffle in there at all, but

we still had this incoming baffle like that, but we didn't have this here deflector on the bottom (indicating).

Q. That is, you mean to say you didn't have this baffle at all or do you mean to say that it was not—

A. We used this vertical partition the same, just the same, but we abandoned the use of this baffle here and just [210] used this divider in the top.

Q. And there was no baffle there, the oil struck nothing, then, after passing out here (indicating)?

A. No, sir.

Q. After it passed out here it struck nothing?

A. Well, it may be some of it shot over this way with a big gas force (indicating).

Q. But it just dropped down?

A. Yes.

Q. Now, why did you change from that form with the baffle-plate to the form without the baffle-plate?

A. Well, we found there were several reasons. We already decided not to use this baffle as we found that it was no good in there in that position as it held the oil up too high here (indicating). As soon as I installed the trap and put the trap into operation why I told Mr. Burrows and Mr. Swope that I wished that that baffle was out of there as it held the oil up too high on that side of the vertical partition.

Q. And you took it out?

A. Not that one. We left that one in.

Q. The Court: That was held up because the space between the baffle-plate and the oil was not large enough to let the oil pass through, was that the reason for it?

A. Well, that might have been possible, but then it shot the froth and the foam, some of it over the top, and we had to carry our oil level too low on this

side to make a complete separation of the oil when the oil reached the storage tank.

Q. Well the baffle-plate in there was the cause of the oil shooting over the top?

A. That was it.

Q. Caused it to pile up there and it didn't have room to pass down by the wall, is that it?

A. Well, yes, it held up the froth.

Q. I see.

A. I would say that is the reason; yes, sir."

**The Law Clearly Is That Equity Has no Jurisdiction
in the Case of a Single Infringement Where no
Threat to Continue to Infringe Is Proven. The
Remedy at Law Is Adequate.**

In the complaint, paragraph VIII, transcript of record, page 6, and in the supplemental complaint [Tr. p. 28] defendant is charged. not only with infringement, but also *with the intent and threat to continue to infringe*. This charge implies an acquiescence on the part of plaintiffs in the soundness of the general rule of law which requires something more than proof of a single sale or a single manufacture as a basis for equitable relief. The answer specifically denies, not only the infringement and continuance thereof, but also the allegation of threat and intent to continue infringement. The burden is thus placed upon plaintiffs to prove circumstances justifying apprehension of future trespasses which could be the only logical basis for the grant of injunctive relief.

Hopkins on Patent page 787, says:

“A single sale, as Judge Lacombe has said, ‘may, in connection with other proof, be persuasive evidence of other sales, and convincing proof of an intention to sell whenever the opportunity of doing so without detection is presented.’ (Citing Lever Bros. Ltd., v. Pasfield, 88 Fed. Rep. 484.)”

Hopkins also quotes Judge Coxe in *Hutter v. De Q. Bottle Stopper Co.*, 128 Fed. Rep. 283, as follows:

“A single sale made in circumstances which indicate a readiness to make other similar sales upon application is sufficient to make out a *prima facie* case.’ It must be borne in mind that unless *prima facie* case indicates that a substantial recovery of profits may be had, the court may refuse to order an account; (citing *Ludington v. Leonard*, 127 Fed. Rep. 155, 62 C. C. A. 269) notwithstanding the general rule that the right to an account of profits is incidental to the right to an injunction. (Citing *Stevens v. Gladding*, 58 U. S. 447, 15 L. Ed. 155.)

“What has been said is entirely consistent with Judge Lurton’s doctrine. ‘that a single infringement by making and selling a single infringing machine would not justify the interposition of a court of equity for the purpose of restraining further infringement by the making and sale of other infringing machines, if it appeared clearly that there was no reason to apprehend any further infringement.’ (Citing *Johnson v. Foos Mfg. Co.*, 141 Fed. Rep. 73, 72 C. C. A. 123.)

The case of *Globe-Wernicke Co. v. Brown & Besly* (C. C. A. 7th Cir.) 121 Fed. 91, was an action to enjoin defendant from using the plaintiffs’ patent im-

print on letter files made by defendant. It appeared that defendant, which was a manufacturer of such files, was given an order by a customer for a lot of files to be made according to a sample submitted, which sampel had been made by plaintiff and had been marked patented because plaintiff in making it had used a patented pin. Defendant made up the order without this pin, but without the knowledge of defendant's officers, its employees put the patent imprint on the files so made. It was never used except the once. The court said:

“Treating what was done as a trespass upon appellant's rights, there was a plain and adequate remedy at law, for the evidence fails to sustain the allegation of threatened continuation and irreparable injury. There was no error in dismissing the bill for want of equity.”

In the case of *Woodmanse etc. Co. v. Williams* (C. C. A.) (6th Cir.) 68 Fed. 489-492, the court said:

“The ground upon which a court of equity will take cognizance of a suit for an infringement of a patent is the relief through an injunction. There is nothing so peculiar to a suit for damages and profits for infringement of a patent as will, independently of some recognized ground of equitable jurisdiction, justify a court of chancery in assuming jurisdiction. It must appear that the legal remedy at law is inadequate, and if the case is one in which equitable relief by injunction is inappropriate, as where the patent has expired, or where the circumstances are such as to justify a court in

refusing equitable relief, the suit will not be entertained for the mere purpose of an account of past damages and profits."

In *Edison Phonograph Co. v. Hawthorne Etc. Co.*, 108 Fed. 630, the court held that where all acts of infringement charged are in the past, and there are no allegations that their continuance is threatened or intended, no injunction will issue, saying:

"The jurisdiction of equity in the case of infringement of letters patent exists only when the bill states facts upon which the right to some form of equitable relief may properly rest. For infringement merely, the remedy at law is complete and adequate."

In *Plotts v. Central Oil Co.* (C. C. A. 9th Cir.) 143 Fed. 901, it was held that where defendant had made but one infringing machine and had not used it, but had offered to pay royalty on it, and no intention of defendant to continue its use in violation of plaintiffs' rights appeared, the bill was properly dismissed.

In the case of *General Electric Co. v. Pittsburg, Etc., Co.*, 144 Fed. 439, it was held that where defendant admits it was infringing without knowledge of plaintiffs' rights, but had ceased doing so, and had no intention of resuming a preliminary injunction would not issue.

We submit that the foregoing authorities strictly follow the basic principles of equity jurisprudence and should be followed.

All but a trifling amount of the record in this case is devoted to controversy relating to forms of devices found not to infringe. The record shows that the whole business of defendant-appellant was based upon the manufacture and sale of such non-infringing devices. Certainly, if the proper interpretation of the Trumble patent in suit as indicated by this court in its opinion had been understood and adopted by the trial court, jurisdiction in equity could not have been sustained. The infringement proven is trifling. The remedy at law is adequate. Even in an action at law, surely the unsuccessful nature of the experiment found by this court to constitute infringement (the making and selling of the single Tonner No. 3 Trap) could not have justified more than an award of nominal damages.

We submit that no injunction should be awarded against the appellant under the circumstances, and that the mandate of this court should direct the trial court to enter a decree dismissing the bill for want of equity at the costs of appellees.

DAVID G. LORRAINE,
Appellant-Petitioner,

By WESTALL AND WALLACE,
ERNEST L. WALLACE,
JOSEPH F. WESTALL,

Solicitors and of Counsel for Appellant.

We hereby certify that the foregoing petition for rehearing is in our judgment well founded and that it is not interposed for delay.

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ERNEST L. WALLACE,
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